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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE NO. **3646**

March 3, 2008

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The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs

March 17, 2008

Committee Recommendation and Adoption of Report:

To Pass

Read Second Time

1.1 A bill for an act
1.2 relating to local government; changing the contract threshold amounts subject
1.3 to certain requirements of the Uniform Municipal Contracting Law; amending
1.4 Minnesota Statutes 2006, sections 103E.705, subdivisions 5, 6, 7; 471.345,
1.5 subdivisions 3, 4; Minnesota Statutes 2007 Supplement, section 471.345,
1.6 subdivisions 3a, 4a, 5.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2006, section 103E.705, subdivision 5, is amended to
1.9 read:

1.10 Subd. 5. **Repairs less than \$50,000 not subject to bidding requirements.** If the
1.11 drainage authority finds that the estimated cost of repairs and maintenance of one drainage
1.12 system for one year will be less than the greater of ~~\$50,000~~ the dollar amount requiring the
1.13 solicitation of sealed bids under section 471.345, subdivision 3, or \$1,000 per mile of open
1.14 ditch in the ditch system, it may have the repair work done by hired labor and equipment
1.15 without advertising for bids or entering into a contract for the repair work.

1.16 Sec. 2. Minnesota Statutes 2006, section 103E.705, subdivision 6, is amended to read:

1.17 Subd. 6. **Annual repair assessment levy limits.** The drainage authority may give
1.18 notice of and hold a hearing on the repair levy before ordering the levy of an assessment
1.19 for repairs. In one calendar year the drainage authority may not levy an assessment for
1.20 repairs or maintenance on one drainage system for more than 20 percent of the benefits of
1.21 the drainage system, \$1,000 per mile of open ditch in the ditch system, or ~~\$50,000~~ the
1.22 dollar amount requiring the solicitation of sealed bids under section 471.345, subdivision
1.23 3, whichever is greater, except for a repair made after a disaster as provided under
1.24 subdivision 7 or under the petition procedure.

2.1 Sec. 3. Minnesota Statutes 2006, section 103E.705, subdivision 7, is amended to read:

2.2 Subd. 7. **Repair and construction after disaster.** The drainage authority may
2.3 repair and reconstruct the drainage system without advertising for bids and without regard
2.4 to the \$1,000 per mile of open ditch or ~~\$50,000~~ the dollar amount requiring the solicitation
2.5 of sealed bids under section 471.345, subdivision 3, limitation if:

2.6 (1) a drainage system is destroyed or impaired by floods, natural disaster, or
2.7 unforeseen circumstances;

2.8 (2) the area where the drainage system is located has been declared a disaster
2.9 area by the President of the United States and federal funds are available for repair or
2.10 reconstruction; and

2.11 (3) the public interests would be damaged by repair or reconstruction being delayed.

2.12 Sec. 4. Minnesota Statutes 2006, section 471.345, subdivision 3, is amended to read:

2.13 Subd. 3. **Contracts over ~~\$50,000~~ \$100,000.** If the amount of the contract is
2.14 estimated to exceed ~~\$50,000~~ \$100,000, sealed bids shall be solicited by public notice in the
2.15 manner and subject to the requirements of the law governing contracts by the particular
2.16 municipality or class thereof ~~provided that~~. With regard to repairs and maintenance of
2.17 ditches, ~~bids shall not be required if the estimated amount of the contract does not exceed~~
2.18 ~~the amount specified in the provisions of section 103E.705, subdivisions 5, 6, and 7, apply.~~

2.19 Sec. 5. Minnesota Statutes 2007 Supplement, section 471.345, subdivision 3a, is
2.20 amended to read:

2.21 Subd. 3a. **Contracts over ~~\$50,000~~ \$100,000; best value alternative.** As an
2.22 alternative to the procurement method described in subdivision 3, municipalities may
2.23 award a contract for construction, alteration, repair, or maintenance work to the vendor or
2.24 contractor offering the best value under a request for proposals as described in section
2.25 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

2.26 Sec. 6. Minnesota Statutes 2006, section 471.345, subdivision 4, is amended to read:

2.27 Subd. 4. **Contracts from ~~\$10,000~~ \$25,000 to ~~\$50,000~~ \$100,000.** If the amount of
2.28 the contract is estimated to exceed ~~\$10,000~~ \$25,000 but not to exceed ~~\$50,000~~ \$100,000,
2.29 the contract may be made either upon sealed bids or by direct negotiation, by obtaining
2.30 two or more quotations for the purchase or sale when possible, and without advertising for
2.31 bids or otherwise complying with the requirements of competitive bidding. All quotations
2.32 obtained shall be kept on file for a period of at least one year after receipt thereof.

3.1 Sec. 7. Minnesota Statutes 2007 Supplement, section 471.345, subdivision 4a, is
3.2 amended to read:

3.3 Subd. 4a. **Contracts from ~~\$10,000~~ \$25,000 to ~~\$50,000~~ \$100,000; best value**
3.4 **alternative.** As an alternative to the procurement method described in subdivision 4,
3.5 municipalities may award a contract for construction, alteration, repair, or maintenance
3.6 work to the vendor or contractor offering the best value under a request for proposals as
3.7 described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

3.8 Sec. 8. Minnesota Statutes 2007 Supplement, section 471.345, subdivision 5, is
3.9 amended to read:

3.10 Subd. 5. **Contracts \$25,000 or less ~~than \$10,000~~.** If the amount of the contract is
3.11 estimated to be ~~\$10,000~~ \$25,000 or less, the contract may be made either upon quotation
3.12 or in the open market, in the discretion of the governing body. If the contract is made upon
3.13 quotation it shall be based, so far as practicable, on at least two quotations which shall be
3.14 kept on file for a period of at least one year after their receipt. Alternatively, municipalities
3.15 may award a contract for construction, alteration, repair, or maintenance work to the
3.16 vendor or contractor offering the best value under a request for proposals as described in
3.17 section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).